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JOY CORPORATION OF BATON ROUGE
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/11/11

**JOY CORPORATION OF BATON ROUGE
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2010**

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditors' Report.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities.....	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	
Index	9
Notes.....	10
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards.....	15
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Schedule of Findings and Questioned Costs.....	18
Schedule of Prior Year Findings.....	19
Management's Corrective Action Plan.....	20

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

Board of Directors of
Joy Corporation of Baton Rouge
P. O. Box 361
Zachary, Louisiana 70791

We have audited the accompanying financial statements of Joy Corporation of Baton Rouge as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Joy Corporation of Baton Rouge's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joy Corporation of Baton Rouge as of June 30, 2010, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of Joy Corporation of Baton Rouge's internal control over financial reporting and our tests of its with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The schedule of expenditures of federal awards is not a required part of the financial statements but is presented for purposes of additional analysis in accordance with OMB Circular A-133. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
December 20, 2010

FINANCIAL STATEMENTS

JOY CORPORATION OF BATON ROUGE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

Cash and cash equivalents	\$ 8,374.69
Grants receivable	171,248.45
Security deposits	500.00
Property and equipment, net	<u>5,656.65</u>
TOTAL ASSETS	<u><u>185,779.79</u></u>

LIABILITIES

Due to stockholders	187,656.00
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NET ASSETS (DEFICIT)

Unrestricted, undesignated	<u>(1,876.21)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u><u>185,779.79</u></u>

See Accompanying Notes and Auditors' Report

JOY CORPORATION OF BATON ROUGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

UNRESTRICTED NET ASSETS

UNRESTRICTED REVENUES AND GAINS

Professional services provided	\$ 14,596.63
Other revenues	9,400.31
Total Unrestricted Revenues and Gains	<u>23,996.94</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Restrictions satisfied by payments	715,695.19
Total Unrestricted Revenues, Gains and Other Support	<u>739,692.13</u>

EXPENSES

Program Services	
Primary Prevention	72,886.68
Educational Enhancements	700,054.86
Supporting Services	
Management and general	5,542.00
Total Expenses	<u>778,483.54</u>

DECREASE IN UNRESTRICTED NET ASSETS (38,791.41)

TEMPORARILY RESTRICTED NET ASSETS

Support from the Governor's Office	15,992.71
Support from Louisiana Department of Social Services	18,690.00
Support from Louisiana Department of Health and Hospitals	30,000.00
Support from Louisiana Department of Education	651,012.48
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>(715,695.19)</u>

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS -

CHANGE IN NET ASSETS (38,791.41)

NET ASSETS, BEGINNING OF YEAR 36,915.20

NET ASSETS (DEFICIT), END OF YEAR (1,876.21)

See Accompanying Notes and Auditors' Report

JOY CORPORATION OF BATON ROUGE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

<u>Account Name</u>	<u>Program</u>		<u>Supporting</u>	<u>Total</u>
	<u>Primary</u> <u>Prevention</u>	<u>Educational</u> <u>Enhancements</u>	<u>General</u> <u>& Admin</u>	
Salaries and related benefits	\$ 6,084.99	\$ 122,509.44	\$ 880.48	\$ 129,474.91
Other personal/professional services	46,192.26	366,070.81	-	412,263.07
Donations	-	-	1,800.00	1,800.00
Depreciation	3,498.88	-	184.15	3,683.03
Operating services:				
Telecommunications	697.86	3,721.92	232.62	4,652.40
Office and operating expenses	4,569.47	-	2.00	4,571.47
Rent and other occupancy expenses	3,688.40	44,002.20	625.80	48,316.40
Supplies	3,286.17	97,978.37	-	101,264.54
Travel and conferences	4,868.65	65,772.12	1,816.95	72,457.72
Total Expenses	72,886.68	700,054.86	5,542.00	778,483.54

See Accompanying Notes and Auditors' Report

JOY CORPORATION OF BATON ROUGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from donors/grantors	\$ 641,743.16
Cash received for services rendered	14,596.63
Cash paid for employees and professionals	(541,737.98)
Cash paid for goods and services	<u>(234,362.93)</u>
Net Cash Used for Operating Activities	(119,761.12)

CASH FLOWS FROM INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds of loans from stockholders	144,656.00
Payments on loans	<u>(25,000.00)</u>
Net Cash Provided by Financing Activities	<u>119,656.00</u>

DECREASE IN CASH AND CASH EQUIVALENTS (105.12)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 8,479.81

CASH AND CASH EQUIVALENTS, END OF YEAR 8,374.69

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET
CASH USED FOR OPERATING ACTIVITIES**

Change in net assets	\$ (38,791.41)
Adjustments to Reconcile Change in Net Assets to Net Cash Used for Operating Activities:	
Depreciation	3,683.03
(Increase) decrease in assets:	
Grants receivable	(83,352.34)
Increase (decrease) in liabilities:	
Accounts payable and overdrafts	<u>(1,300.40)</u>

NET CASH USED FOR OPERATING ACTIVITIES (119,761.12)

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

JOY CORPORATION OF BATON ROUGE
INDEX TO NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

<u>Note No.</u>	<u>Description</u>	<u>Page No.</u>
1	Nature of Activities and Significant Accounting Policies.....	10
2	Cash and Cash Equivalents	11
3	Receivables.....	12
4	Property and Equipment.....	12
5	Leases	12
6	Net Assets Released from Restriction	12
7	Functional Allocation of Expenses.....	13
8	Liquidity of Assets and Liabilities	13
9	Related Party Transactions.....	13
10	Commitments and Contingencies.....	13
11	Subsequent Events.....	13

JOY CORPORATION OF BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Joy Corporation of Baton Rouge (hereafter referred to as the Corporation), a Louisiana non-profit corporation, was incorporated on April 24, 2001, and is domiciled in Zachary, Louisiana. It was formed to ‘...create, establish and promote rehabilitative programs for victims of adult, child and substance abuse//incarcerated persons returning to the community//a community-based computer training facility for disadvantaged, at risk adults and youth...’ Nearly 97% of the Corporation’s support for the year ended June 30, 2010, came from federal or state grants and awards.

The accounting policies of the Corporation conform to accounting principles generally accepted in the United States of America as applicable to non-profit organizations. The significant accounting policies are as follows:

Method of Accounting

The financial statements of the Corporation have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation

The Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, “*Financial Statements of Not-for-Profit Organizations*”. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, it is required to present a statement of cash flows. As permitted by this new statement, the Corporation has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on the change in net assets in the year it was adopted.

Contributions

The Corporation has elected to adopt SFAS No. 116, “*Accounting for Contributions Received and Contributions Made*”. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of the restriction. As permitted by SFAS No. 116, the Corporation has retroactively applied the provisions of this new statement by restating net assets.

Contributed Goods and Services

No amounts have been recognized in the accompanying financial statements because not all of the criteria for recognition under SFAS No. 116, “*Accounting for Contributions Received and Contributions Made*”, were satisfied.

JOY CORPORATION OF BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. While separate accounts are not required, the grant agreements executed by the Corporation require that any agency funds co-mingled with funds from other sources be considered entirely public funds.

Receivables

Receivable consists of amounts due under federal and state grants/awards. The Corporation uses the direct write-off method of accounting for uncollectible receivables. Use of this method is not materially different from the allowance method required by generally accepted accounting principles, as all receivables are considered collectible. For this reason, there is no allowance recorded in the accompanying financial statements.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment purchased by the Corporation is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$500 or greater is capitalized. Interest during the construction or renovation of long-lived assets is normally capitalized. The earnings on the borrowings reduce this amount during the same period, if any.

Income Taxes

The Corporation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no liability or expense has been recorded in the accompanying financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2010, the Corporation had \$8,374.69 in demand deposits. Collected bank balances were \$20,631, secured through the Federal Deposit Insurance Corporation.

JOY CORPORATION OF BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – RECEIVABLES

Amounts due to the Corporation at June 30, 2010, are as follows:

21 st Century Community Learning Center Program	\$ 152,746.44
Tobacco Initiatives	2,509.30
Governor's Safe & Drug-Free Programs	<u>15,992.71</u>
Total	<u>171,248.45</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2010:

Equipment	\$ 29,420.32
Office furniture	3,000.00
Vehicles	<u>18,587.05</u>
Sub-total	51,007.37
Less: accumulated depreciation	<u>(45,350.72)</u>
Net	<u>5,656.65</u>

NOTE 5 – LEASES

The Corporation has a rental agreement on a month-to-month basis for office space. Monthly lease payments are \$3,512.50. Payments during the year totaled \$42,150.

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the expiration of time during the year.

Purpose restriction accomplished:

Primary prevention programs	\$ 15,640.33
Educational enhancement programs	<u>700,054.86</u>
Total	<u>715,695.19</u>

JOY CORPORATION OF BATON ROUGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services of the Corporation have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. This allocation is summarized in the statement of functional expenses.

NOTE 8 – LIQUIDITY OF ASSETS AND LIABILITIES

The liquidity of the Corporation's assets and liabilities are as follows:

Cash and cash equivalents	\$ 8,374.69
Grants receivable	<u>171,248.45</u>
 Total Current Assets	 179,623.14
 Accounts and other payables	 <u>187,656.00</u>
 Liquidity	 <u>(8,032.86)</u>

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year, an officer of the Corporation, Ronald Jackson, provided services to the Corporation in the way of facilitation and training. He was paid approximately \$6,462 in salaries.

The Corporation owes this officer \$187,656 at June 30, 2010.

The wife of this officer provided training/facilitation services to the Corporation and was paid approximately \$2,200.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation and Claims. There is no pending or threatened litigation against the Corporation.

Going Concern. The Corporation relies primarily on federal and state funding. Failure to receive this funding would significantly impact its ability to continue as a going concern.

NOTE 11 – SUBSEQUENT EVENTS

There were no subsequent events that would materially impact the accompanying financial statements.

SUPPLEMENTAL INFORMATION

JOY CORPORATION OF BATON ROUGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
Major Programs		
<i>U.S. Department of Health and Human Services</i>		
<u>Passed Through</u> Louisiana Department of Education		
21st Century Community Learning Center Program	84.287C	\$ 651,012.48
Other Federal Awards		
<i>U.S. Department of Health and Human Services</i>		
<u>Passed Through</u> Louisiana Department of Health and Hospitals		
Tobacco Initiatives		30,000.00
<u>Passed Through</u> Louisiana Department of Social Services		
Temporary Assistance for Needy Families:		
Teen Pregnancy Prevention	93.558	18,690.00
After School for All	93.558	5,523.50
Total Expenditures		<u>705,225.98</u>

Notes to Schedules of Expenditures of Federal Awards
Year Ended June 30, 2010

Basis of Presentation

This schedule of expenditures of federal awards includes the federal grant activity of Joy Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*.

See Auditors' Report

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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Louisiana Society of Certified Public Accountants
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of
Joy Corporation of Baton Rouge
P. O. Box 361
Zachary, Louisiana 70791

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of the Joy Corporation as of and for the year ended June 30, 2010, which collectively comprise the Joy Corporation's basic financial statements and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Joy Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

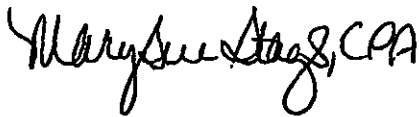
In planning and performing our audit, we considered the Joy Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Joy Corporation's internal control over financial reporting.

Accordingly, we do not express an opinion on the effectiveness of the Joy Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the agency and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Mary Sue Stages, CPA". The signature is written in a cursive, flowing style.

Mary Sue Stages, CPA
A Professional Accounting Corporation
December 20, 2010

JOY CORPORATION OF BATON ROUGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

We have audited the financial statements of Joy Corporation of Baton Rouge as of and for the year ended June 30, 2010, and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010, resulted in an unqualified opinion.

Section I Summary of Auditors' Report

1. Report on Compliance and Internal Control Material to the Financial Statements

Compliance	Material to Statements	■ No
------------	------------------------	------

Internal Control	Control Deficiency (ies)	■ No
	Material Weakness	■ No

2. Federal Awards

Compliance	Material to Statements	■ No
------------	------------------------	------

Internal Control	Control Deficiency (ies)	■ No
	Material Weakness	■ No

3. Identification of Major Programs

Type of Opinion on Compliance for Major Programs	Unqualified
--	-------------

Programs tested as major programs included all federal programs as listed in the schedule of expenditures of federal awards.

The threshold used for distinguishing between Type A and B programs was \$500,000.

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

N/A

**JOY CORPORATION OF BATON ROUGE
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2010**

Section I Internal Control and Compliance Material to the Financial Statements

2009-01 Compliance with Audit Law

Condition. The annual report for the year ended June 30, 2009, was not submitted by December 31st.

Recommendation. We recommend that the annual report be executed in sufficient time for submission by the due date each year.

Disposition. Resolved

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**JOY CORPORATION OF BATON ROUGE
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2010**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A